

LEWIS & LLEWELLYN LLP
Evangeline A.Z. Burbidge (Bar No. 266966)
eburbidge@lewisllewellyn.com
Marc R. Lewis (Bar No. 233306)
mlewis@lewisllewellyn.com
Kenneth M. Walczak (Bar No. 247389)
kwalczak@lewisllewellyn.com
Bradley E. Estes (Bar No. 298766)
bestes@lewisllewellyn.com
601 Montgomery Street, Suite 2000
San Francisco, California 94111
Telephone: (415) 800-0590
Facsimile: (415) 390-2127

David J. Cook (Bar No. 60859)
COOK COLLECTION ATTORNEYS, PLC
ATTORNEYS AT LAW
165 Fell Street
San Francisco, CA 94102
Telephone: (415) 989-4730
Facsimile: (415) 989-0491
Cook@CookCollectionAttorneys.com

Attorneys for Petitioner EDAG Engineering GmbH,
a corporation organized and existing under the laws
of the Republic of Germany ("EDAG")

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA – SAN FRANCISCO DIVISION

EDAG Engineering GmbH,

Petitioner,

v.

BYTON North America Corporation,

Respondent.

Case No. 3:21-cv-04736-EMC

**PETITIONER EDAG'S OPPOSITION TO
RESPONDENT'S MOTION TO VACATE
THE ARBITRATOR'S NOVEMBER 8,
2021 ORDER**

Date: June 30, 2022
Time: 1:30 p.m.
Location: via Judge Chen's
Videoconference – [Link](#)
Judge: Hon. Edward M. Chen

TABLE OF CONTENTS

	Page
TABLE OF CONTENTS	2
TABLE OF AUTHORITIES.....	3
I. INTRODUCTION.....	6
II. APPLICABLE LAW	8
III. ARGUMENT	9
A. THE COURT CAN AND SHOULD CONFIRM THE ARBITRATOR’S ORDER.	9
1. Judge Cahill Correctly Interpreted the TDLA.....	9
2. Judge Cahill’s Decision Meets the Federal Standard.	10
B. BYTON NA’S ARGUMENTS FAIL.	11
1. The <i>Functus Officio</i> Doctrine Does Not Apply.....	11
2. The Court Can and Should Make Injunctive Relief Permanent.	13
C. IF THE ARBITRATOR’S ORDER IS NOT CONFIRMED, BYTON NA WILL ACCESS EDAG’S INTELLECTUAL PROPERTY WITHOUT PAYING.	14
IV. CONCLUSION	15

TABLE OF AUTHORITIES

Page(s)

CASES

<i>ABC Int'l Trades, Inc. v. Fun 4 All Corp.</i> , 79 F. App'x 346 (9th Cir. 2003)	12
<i>Allied-Bruce Terminix Cos. v. Dobson</i> , 513 U.S. 265 (1995)	8
<i>Bank Leumi, USA v. Miramax Distribution Servs., LLC</i> , No. 2:18-CV-07574-SVW-KS, 2018 WL 7568361 (C.D. Cal. Dec. 27, 2018).....	12
<i>Bosack v. Soward</i> , 586 F.3d 1096 (9th Cir. 2009)	12
<i>Courier–Citizen Co. v. Boston Electrotypers Union</i> , No. 11, 702 F.2d 273 (1st Cir.1983).....	13
<i>DHL Info. Servs. (Americas), Inc. v. Infinite Software Corp.</i> , 502 F. Supp. 2d 1082 (C.D. Cal. 2007).....	12
<i>Eastern Seaboard Construction Co., Inc. v. Gray Construction, Inc.</i> , 553 F.3d 4 (1st Cir. 2008)	12
<i>eBay Inc. v. Inc. v. MercExchange, L.L.C.</i> , 547 U.S. 388 (2006)	14
<i>Ferguson v. Corinthian Colleges, Inc.</i> , 733 F.3d 928 (9th Cir. 2013).....	12
<i>Ficek v. S. Pac. Co.</i> , 338 F.2d 655 (9th Cir. 1964).....	11
<i>French v. Merrill Lynch</i> , 784 F.2d 902 (9th Cir. 1986).....	11
<i>G.C. and K.B. Invs., Inc. v. Wilson</i> , 326 F.3d 1096 (9th Cir. 2003).....	11
<i>Glass, Molders, Pottery, Plastics, and Allied Workers Int'l Union v. Excelsior Foundry Co.</i> , 56 F.3d 847 (7th Cir. 1995).....	12, 13
<i>Impex Enterprises Ltd. v. Sony Pictures Worldwide Acquisitions, Inc.</i> , No. CV2171044SJOSKX, 2018 WL 1413089 (C.D. Cal. Jan. 9, 2018).....	9

TABLE OF AUTHORITIES (CONT.)

Page(s)

<i>Ingle v. Circuit City,</i> 408 F.3d 592 (9th Cir. 2005).....	9
<i>Int'l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am., AFL-CIO, Loc. 631 v. Silver State Disposal Serv., Inc.,</i> 109 F.3d 1411 (9th Cir. 1997).....	13
<i>Kyocera Corp. v. Prudential-Bache Trade Servs., Inc.,</i> 341 F.3d 987 (9th Cir. 2003).....	10
<i>Lifescan, Inc. v. Premier Diabetic Servs., Inc.,</i> 363 F.3d 1010 (9th Cir. 2004).....	10
<i>McClatchy Newspapers v. Central Valley Typographical Union,</i> No. 46, 686 F.2d 1103 (9th Cir.1982).....	12
<i>Mitsubishi Motors Corp. v. Soler Chrysler-Plymouth, Inc.,</i> 473 U.S. 11 (1985).....	8
<i>Monsanto Co. v. Geertson Seed Farms,</i> 561 U.S. 139 (2010).....	14
<i>R.J. Kuhl Corp. v. Sullivan,</i> 13 Cal. App. 4th 1589 (1993).....	9
<i>Rogers v. Royal Caribbean Cruise Line,</i> 547 F.3d 1148 (9th Cir. 2008).....	8
<i>Scholl v. Mnuchin,</i> 494 F. Supp. 3d 661 (N.D. Cal. 2020).....	13
<i>Simula, Inc. v. Autoliv, Inc.,</i> 175 F.3d 716 (9th Cir. 1999).....	12
<i>SMC Promotions, Inc. v. SMC Promotions,</i> No. 04-CV047107JFWVBKX, 2006 WL 6219155 (C.D. Cal. Jan. 19, 2006).....	10, 11
<i>United States v. Lummi Indian Tribe,</i> 235 F.3d 443 (9th Cir. 2000).....	9
<i>United States v. Romm,</i> 455 F.3d 990 (9th Cir.2006).....	10

TABLE OF AUTHORITIES (CONT.)**Page(s)****FEDERAL STATUTES**

Title 9, U.S.C.

§ 2 8

§ 9 8

§ 12 8

STATE STATUTES

California

Cal. Code Civ. Proc. § 680.010 7, 9

Cal. Code Civ. Proc. § 683.010 7, 9

Cal. Code Civ. Proc. § 699.040 10

FEDERAL RULES

Federal Rules of Civil Procedure

Rule 69 7, 9

I. INTRODUCTION

On December 13, 2021, this Court confirmed the Arbitrator’s June 2, 2021 Final Award, and entered judgment in favor of Petitioner EDAG Engineering GmbH (“EDAG”). Docket No. 49. During the hearing on EDAG’s Motion for Entry of Judgment, the Court determined that the Arbitrator’s November 8, 2021 Order (“11/8/21 Order”) (*see* Docket No. 25 (Notice of Entry of Injunction, filed 11/8/21)) constituted a separate decision subject to independent confirmation. *See also* Order on various motions, filed 1/13/22 (Docket No. 89), 2:18-25 & 5:11-23.

The Arbitrator issued the November 8, 2021 Order to preserve his Final Award and to protect EDAG’s ability to collect on a judgment in its favor. The order relied, *inter alia*, on evidence that Respondent BYTON North America Corporation (“BYTON NA”) was illegally using EDAG’s intellectual property and attempting to move assets overseas. Now BYTON NA moves to vacate that Order, without any evidence or argument that it has stopped trying to access the intellectual property in question or stopped using EDAG’s technology in prototype vehicles—nor even any assertion that BYTON NA will stop trying to shift any remaining assets overseas.

Under these circumstances, the Court should deny BYTON NA’s motion, and instead confirm: (1) the Arbitrator’s decision that EDAG owns the intellectual property it created under the terms of the parties’ contract; and (2) the resulting injunctive provisions of the Arbitrator’s Order.¹

To vacate the November 8, 2021 Order, BYTON NA would need to demonstrate that the Arbitrator, the Honorable William Cahill (Ret.), “manifestly disregarded” the law or issued a “completely irrational” decision when he confirmed EDAG’s property interest in the intellectual property it created (and for which BYTON NA has not paid), and enjoined BYTON NA from accessing, modifying, transferring, or deleting that intellectual property. 11/8/21 Order at 8. BYTON NA has not made, and cannot make, that showing.

To the contrary, Judge Cahill acted well within his discretion to rule that BYTON NA cannot access, use, or destroy EDAG’s technological work product until it (BYTON NA) has paid EDAG the over \$30 million it owes under the parties’ contract (known as the “Technology and

¹ EDAG files a Motion to Confirm Arbitration Award herewith.

1 Development Licensing Agreement” or “TDLA”; filed at Docket No. 10-1).

2 BYTON NA does not attack the substance of that finding or argue (as the law says it must)
3 that the Arbitrator’s interpretation of the TDLA was wrong (let alone “completely irrational”).²
4 BYTON NA does not deny that it attempted to move the IP to inaccessible Chinese servers while
5 the arbitration was ongoing, nor contest the evidence that its Chinese parent company is testing a
6 prototype vehicle that *incorporates* EDAG’s intellectual property. *See, e.g.*, Docket Nos. 22-1, 22-
7 2, 22-3, 22-4, 22-5 (undisputed evidence provided to Arbitrator regarding BYTON NA’s attempt to
8 move assets). Instead, BYTON NA recycles an argument the Arbitrator rejected: that the *functus*
9 *officio* doctrine deprived the Arbitrator of his authority to decide ownership of the intellectual
10 property. But that argument rests entirely on California law—federal cases do not apply the doctrine
11 to bar injunctive relief by Arbitrators (to the contrary, the Federal Arbitration Act [FAA] states a
12 preference for issuing such relief in the arbitral forum). And both the Arbitrator and this Court have
13 held that the FAA governs the parties’ arbitration proceeding.³

14 If *functus officio* still has any viability at all in the Ninth Circuit, it only bars an arbitrator
15 from re-deciding a *specific* issue previously resolved in a final award. Which is not what happened
16 here—as BYTON NA repeatedly acknowledges and as the Court ruled, the Arbitrator resolved a
17 new issue left undecided by the Final Award (namely, whether EDAG’s ownership of the
18 intellectual property it was hired to create transferred to BYTON NA under the TDLA).

19 BYTON NA’s second argument, that entry of judgment rendered the Arbitrator’s Order
20 moot, also fails. Entering judgment on the Final Award did not moot the November 8, 2021 Order,
21 because the Court deemed that Order a separate award subject to independent confirmation. The

22 _____
23 ² In the course of attempting to collect BYTON’s debt, EDAG’s collection counsel, David Cook, has
24 uncovered numerous financial improprieties associated with BYTON and its Chinese parent
25 company, including the acceptance of a \$10 million PPP loans from the U.S. government and the
shifting of hundreds of millions of dollars offshore instead of paying debts owed in the United
States. *See, e.g.*, Docket No. 53.01 and supporting exhibits.

26 ³ As Mr. Cook has noted, California law does apply in the parallel collections effort. *See, e.g.*,
27 Docket No. 22; *see also* Fed. R. Civ. P. 69(a) (“The procedure on execution... must accord with the
28 procedure of the state where the court is located, but a federal statute governs to the extent it
applies.”); Cal. Code Civ. Proc. §§ 680.010, 683.010 (“Except as otherwise provided by statute or in
the judgment, a judgment is enforceable under this title upon entry.”).

1 Court is authorized to confirm the Arbitrator’s interpretation of the TDLA and preserve his finding
 2 that EDAG still owns the intellectual property in question. The Court can also make the injunctive
 3 provisions of the Arbitrator’s order permanent, rather than preliminary.

4 Indeed, BYTON NA’s eagerness to argue that the November 8, 2021 Order is now moot
 5 demonstrates the clear and present *need* to confirm that Order. Absent a decision by this Court
 6 confirming the Arbitrator’s decision, BYTON NA will continue trying to improperly access, use,
 7 and move overseas the technology EDAG created *without* paying EDAG the \$30 million ordered by
 8 this Court.

9 II. APPLICABLE LAW

10 The FAA governs arbitration proceedings under the TDLA, a contract between two
 11 international entities engaged in a commercial transaction. *See* 9 U.S.C. § 2 (FAA’s basic coverage
 12 provision makes the statute applicable to contracts evidencing a transaction “involving commerce”);
 13 *Allied-Bruce Terminix Cos. v. Dobson*, 513 U.S. 265, 277 (1995) (language of Section 2 reflects that
 14 Congress intended the law’s coverage to extend to the full reach of its Commerce Clause power);
 15 *Rogers v. Royal Caribbean Cruise Line*, 547 F.3d 1148, 1154 (9th Cir. 2008) (same). The
 16 presumption in favor of the FAA “applies with special force in the field of international
 17 commerce[.]” *Mitsubishi Motors Corp. v. Soler Chrysler–Plymouth, Inc.* 473 U.S. 614, 631 (1985).

18 EDAG discussed federal arbitration law, and its applicability to proceedings like this one, in
 19 its prior Motion to Confirm Arbitration Award and Enter Judgment, filed 10/29/21 (Docket No. 19).
 20 *Id.* at 11:7-12:19. In response, BYTON conceded that the FAA and federal arbitration law apply.
 21 *See* BYTON’s Opposition to Motion to Confirm, filed 11/12/21 (Docket No. 27) 7:11-8:3 & 8 n.1
 22 (discussing BYTON’s 90-day deadline to move to vacate under 9 U.S.C. § 12); 9:26-10:6 & nn.9-10
 23 (citing only federal law, statutes, and cases). Finally, the Court issued its Order Granting Motion to
 24 Confirm Arbitration and its Judgment under the FAA. *See, e.g.*, Docket No. 49, 2:17 (“the Court
 25 finds as follows, pursuant to 9 U.S.C. § 9: ...”).

26 Therefore, the determination that federal law governs confirmation of Judge Cahill’s rulings

27 ///

28 ///

1 is now law of the case.⁴ “Under the law of the case doctrine, ‘a court is generally precluded from
 2 reconsidering an issue previously decided by the same court, or a higher court in the identical case.’”
 3 *Ingle v. Circuit City*, 408 F.3d 592, 594 (9th Cir. 2005), *quoting United States v. Lummi Indian*
 4 *Tribe*, 235 F.3d 443, 452 (9th Cir. 2000).

5 III. ARGUMENT

6 A. THE COURT CAN AND SHOULD CONFIRM THE ARBITRATOR’S ORDER.

7 1. Judge Cahill Correctly Interpreted the TDLA.

8 BYTON NA suggests that the Court should vacate or modify the Order because it stems
 9 from the Arbitrator’s interpretation of the TDLA. *See* Motion to Vacate, filed 2/6/22 (Docket No.
 10 117) (“Mot. to Vac.”) 7:14-22 (criticizing Arbitrator’s decision to issue a “ruling that EDAG owns
 11 100% of the work product/intellectual property developed by EDAG ... pursuant to the TDLA”).

12 Interpreting the contract is precisely what the parties authorized Judge Cahill to do. “The
 13 arbitrator will have full power and authority to determine issues of arbitrability **and to interpret or**
 14 **construe the provisions** of the agreement documents and to fashion appropriate remedies (including
 15 temporary, preliminary, interim, or permanent injunctive relief).” TDLA, Docket No. 10-1, ¶ 14.4b
 16 (emphasis added).

17 Determining that BYTON NA does not have the right to access EDAG’s property only
 18 required the Arbitrator to make one finding: that under the TDLA, payment is a ***condition precedent***
 19 to delivery. “Performance of a duty subject to a condition cannot become due unless the condition
 20 occurs or its non-occurrence is excused.” *Impex Enterprises Ltd. v. Sony Pictures Worldwide*
 21 *Acquisitions, Inc.*, No. CV2171044SJOSKX, 2018 WL 1413089, at *4 (C.D. Cal. Jan. 9, 2018),
 22 *aff’d*, 777 F. App’x 236 (9th Cir. 2019), *quoting R.J. Kuhl Corp. v. Sullivan*, 13 Cal.App.4th 1589,
 23 1601 (1993). The condition, BYTON NA’s payment, did ***not*** occur and its non-occurrence was not
 24 excused (hence the Arbitrator’s Final Award). Therefore, EDAG did not transfer the rights to its

25 _____
 26 ⁴ California law still applies to the ongoing post-judgment collection proceedings. Fed. R. Civ. P.
 27 69(a) (“The procedure on execution... must accord with the procedure of the state where the court is
 28 located, but a federal statute governs to the extent it applies.”); Cal. Code Civ. Proc. §§ 680.010,
 683.010 (“Except as otherwise provided by statute or in the judgment, a judgment is enforceable
 under this title upon entry.”).

1 valuable intellectual property—and has no duty to transfer said rights, *until BYTON NA pays*
 2 *EDAG the \$30 million it owes.*⁵

3 Moreover, BYTON NA makes no effort to dispute or countermand the extensive evidence
 4 that the Arbitrator considered. Before issuing his order confirming EDAG’s ownership of the IP,
 5 Judge Cahill reviewed more than 100 pages of sworn testimony and exhibits demonstrating that:
 6 BYTON NA had attempted to access the IP on JAMA servers multiple times; BYTON NA’s
 7 Chinese parent company has constructed a prototype vehicle that uses EDAG’s IP; and BYTON NA
 8 has transferred numerous patents to its Chinese parent company without consideration. (The same
 9 corpus of evidence was presented to this Court alongside the Walczak Declaration in Support of
 10 Motion for Relief from Postjudgment Stay, filed 11/4/21 (Docket No. 22).)

11 BYTON NA, the only party with full information about its own actions, does not even assert
 12 that these circumstances have changed since the Arbitrator made his decision.⁶

13 2. Judge Cahill’s Decision Meets the Federal Standard.

14 Judge Cahill’s decision that EDAG retains ownership of its intellectual property until it is
 15 paid is entitled to the deference accorded to every arbitrator’s decision under federal law.

16 The FAA “gives federal courts only limited authority to review arbitration decisions, because
 17 broad judicial review would diminish the benefits of arbitration.” *SMC Promotions, Inc. v. SMC*
 18 *Promotions*, No. 04-CV047107JFWVBKX, 2006 WL 6219155 (C.D. Cal. Jan. 19, 2006) (“*SMC*
 19 *Promotions*”) at *1, quoting *Lifescan, Inc. v. Premier Diabetic Servs., Inc.*, 363 F.3d 1010, 1012
 20 (9th Cir. 2004), and citing *Kyocera Corp. v. Prudential-Bache Trade Servs., Inc.*, 341 F.3d 987, 998
 21 (9th Cir. 2003) (*en banc*). “Confirmation is required even in the face of erroneous findings of fact or
 22

23 ⁵ Even if BYTON NA somehow retained an interest in the intellectual property in question, it would
 24 be required to relinquish it to satisfy the outstanding monetary judgment. To this end, the Court has
 25 already issued a turnover order under California Code of Civil Procedure § 699.040, requiring
 26 turnover of property “in the form of a general intangible” by means of the U.S. Marshal “taking it
 27 into custody[.]” See Order on various motions, Docket No. 89, pp. 6-7. But BYTON NA has
 28 demonstrated that it will continue trying to access and use the IP unless and until that process is
 complete.

⁶ Any effort to do so on Reply would be too late. See *United States v. Romm*, 455 F.3d 990, 997
 (9th Cir.2006) (arguments raised by a party for the first time in its reply brief are deemed waived).

misinterpretations of law.” *SMC Promotions*, quoting *French v. Merrill Lynch*, 784 F.2d 902, 906 (9th Cir. 1986) (additional quotations and internal quotation marks omitted).

Because final resolution of disputes is an essential aim of the FAA, “[i]t is not even enough that the [arbitrator] may have failed to understand or apply the law. An arbitrator’s decision must be upheld unless it is completely irrational or it constitutes a manifest disregard for law.” *SMC Promotions*, quoting *G.C. and K.B. Invs., Inc. v. Wilson*, 326 F.3d 1096, 1105 (9th Cir. 2003) (additional citation omitted). “[F]or the most part, the court defers to the arbitrator’s determination of the award. Furthermore, ‘[a] claimant may not voluntarily submit his claim to arbitration, await the outcome, and, if the decision is unfavorable, then challenge the authority of the arbitrator’s act.’” *SMC Promotions*, quoting *Ficek v. S. Pac. Co.*, 338 F.2d 655, 657 (9th Cir. 1964), *cert. denied*, 380 U.S. 988 (1965) (additional citation omitted).

BYTON NA does not cite the deferential standard, and makes no effort to overcome it.⁷ BYTON NA does not argue that Judge Cahill misunderstood or misapplied the law, or assert that Judge Cahill’s reading of the relevant TDLA provisions was “completely irrational.”

Instead BYTON NA argues that the *functus officio* doctrine withdrew the Arbitrator’s authority to issue an order resolving entitlement to EDAG’s intellectual property, and that the November 8, 2021 Order is now moot. BYTON NA is wrong on both counts.

B. BYTON NA’S ARGUMENTS FAIL.

1. The *Functus Officio* Doctrine Does Not Apply.

Rather than addressing the substance of the Order, BYTON NA asks the Court to find that Judge Cahill lacked the authority to make any decisions after issuing the Final Award. Mot. to Vac. 7:23-9:14.

Some of this argument appears to be based on the jurisdictional provisions of the California Arbitration Act (CAA). *See, e.g.*, Mot. to Vac. 8:12-9:2. As discussed above, it is law of the case that the FAA, not the CAA, applies.

For the remainder of its argument, BYTON NA relies on the common law doctrine of

⁷ Again, any effort to do so on Reply would be too late.

1 *functus officio*. *Id.* 7:23-8:11. BYTON NA would have this Court hold that, under *functus officio*,
 2 the Arbitrator’s jurisdiction expired when he issued his Final Award. *Ibid.*

3 This, too, fails because it is law of the case that the FAA applies. Unlike California law,
 4 **federal** law specifically provides for an arbitrator to retain jurisdiction after issuance of an award, to
 5 issue preliminary relief just like the November 8, 2021 Order. *See Ferguson v. Corinthian*
 6 *Colleges, Inc.*, 733 F.3d 928, 937 (9th Cir. 2013) (“an arbitrator generally has the authority to enter
 7 injunctive relief against a party that has entered into an arbitration agreement.”). In fact, federal
 8 courts defer to the arbitral forum for injunctions, rather than attempting to resolve issues that may
 9 affect the enforceability of an award. *Simula, Inc. v. Autoliv, Inc.*, 175 F.3d 716 (9th Cir. 1999);
 10 *DHL Info. Servs. (Americas), Inc. v. Infinite Software Corp.*, 502 F. Supp. 2d 1082, 1083–84 (C.D.
 11 Cal. 2007). *See also Bank Leumi, USA v. Miramax Distribution Servs., LLC*, No. 2:18-CV-07574-
 12 SVW-KS, 2018 WL 7568361, at *8 (C.D. Cal. Dec. 27, 2018) (“Courts accordingly decline requests
 13 for injunctive relief when the arbitrator has jurisdiction over interim relief measures under a binding
 14 arbitration agreement, even if the court has authority to issue such relief on its own.”).

15 Several federal Courts of Appeal have questioned the overall viability of the *functus officio*
 16 doctrine. In *Glass, Molders, Pottery, Plastics, and Allied Workers Int’l Union v. Excelsior Foundry*
 17 *Co.*, 56 F.3d 844, 846 (7th Cir. 1995), the Seventh Circuit noted that *functus officio* “[t]oday, [is]
 18 riddled with exceptions ... [and] is hanging on by its fingernails[.]” In *Eastern Seaboard*
 19 *Construction Co., Inc. v. Gray Construction, Inc.*, 553 F.3d 1 (1st Cir. 2008), the First Circuit Court
 20 of Appeals listed a host of cases in which federal courts had approved an arbitrator’s decision
 21 correcting, revising, or amending a previous award. *Id.* at 4-5.

22 To the extent *functus officio* survives at all in the federal context, it only “forbids an
 23 arbitrator to redetermine an issue which he has already decided.” *Bosack v. Soward*, 586 F.3d 1096,
 24 1103 (9th Cir. 2009), *quoting McClatchy Newspapers v. Central Valley Typographical Union No.*
 25 *46*, 686 F.2d 731, 734 n. 1 (9th Cir.1982) (additional quotation omitted). *See also id.* at 1103-1104
 26 (*functus officio* did not apply, because arbitrator’s fifth award did not address any issue determined
 27 in a previous final award); *ABC Int’l Trades, Inc. v. Fun 4 All Corp.*, 79 F. App’x 346, 348 (9th Cir.
 28 2003) (*functus officio* does not apply where, as here, arbitrator retains jurisdiction to resolve “any

disputes that may arise” under the parties’ contract); *Int’l Bhd. of Teamsters, Chauffeurs, Warehousemen & Helpers of Am., AFL-CIO, Loc. 631 v. Silver State Disposal Serv., Inc.*, 109 F.3d 1409, 1411 (9th Cir. 1997) (“*Teamsters & Chauffeurs*”) (*functus officio* does not bar a new decision where a previous arbitrator’s award “fails to resolve an issue”).

As BYTON NA acknowledges, the Final Award left ownership of EDAG’s intellectual property unresolved. “The Final Arbitration Award made no findings regarding (or even mention of) the ownership of any intellectual property developed by EDAG for Byton NA pursuant to the TDLA.” Mot. to Vac. 2:11-13. “EDAG’s Motion for Preliminary Injunction was premised on a new and unadjudicated claim[.]” *Id.* 3:1-2. *See also id.* 4:9-10 (describing the 11/8/21 Order as rendering “an entirely new, different and highly significant finding”); *id.* 6:22 (same). Therefore, *functus officio* does not apply, and the Arbitrator was free to make a new finding, or issue an order clarifying any ambiguity in the Final Award. As the Ninth Circuit explained:

The completion exception to the doctrine of *functus officio* applies when an arbitration award fails to resolve an issue or “specify the remedy in definite terms.” *Courier–Citizen Co. v. Boston Electrotypers Union No. 11*, 702 F.2d 273, 279 (1st Cir.1983). The ambiguity exception, in contrast, applies when “the award, although seemingly complete, leaves doubt whether the submission has been fully executed.” *La Vale Plaza [Inc. v. R.S. Noonan, Inc.]*, 378 F.2d [569] at 573. Some courts have commingled the completion and ambiguity exceptions. In *Glass, Molders, Pottery, Plastics and Allied Workers Int’l Union v. Excelsior Foundry Co.*, 56 F.3d 844 (7th Cir.1995), the Seventh Circuit reasoned as follows: “An award that fails to address a contingency that has arisen after the award was made is incomplete; alternatively, it is unclear; either way, it is within an exception to the doctrine.” *Id.* at 847.

Teamsters & Chauffeurs, 109 F.3d at 1411.

2. The Court Can and Should Make Injunctive Relief Permanent.

The remainder of BYTON NA’s argument consists of a single paragraph noting that a final judgment moots a preliminary injunction entered to preserve the *status quo*. Mot. to Vac. 9:15-22. That is true as far as it goes, but it does not go very far.

It is more accurate to say that a preliminary injunction does not survive the entry of final judgment *unless* the Court converts it into a permanent injunction. There is no doubt the Court has the authority to do so. *See, e.g., Scholl v. Mnuchin*, 494 F. Supp. 3d 661, 692-693 (N.D. Cal. 2020)

(Hamilton, C.J.), *appeal dismissed* (Dec. 11, 2020).

Because BYTON NA has identified no flaw in the Order necessitating or justifying modification, and because the circumstances that led the Arbitrator to grant injunctive relief still exist, the Court *should* memorialize EDAG's sole ownership of the intellectual property, and continue barring BYTON NA from attempting to access, use, or delete that property until BYTON NA pays EDAG the over \$30 million it is owed. Confirming the November 8, 2021 Order would accomplish both goals.

C. IF THE ARBITRATOR'S ORDER IS NOT CONFIRMED, BYTON NA WILL ACCESS EDAG'S INTELLECTUAL PROPERTY WITHOUT PAYING.

There should be no illusions about BYTON NA's aim here. By arguing that the judgment in EDAG's favor has already mooted the November 8, 2021 Order, BYTON NA is signaling its willingness to continue trying to improperly access, use, and move overseas the intellectual property in question, *even without an order granting its Motion to Vacate*. BYTON NA seeks to erode the authority of the November 8, 2021 Order, because that Order is the one thing standing between BYTON NA and the data stored on JAMA's servers.

Courts grant permanent injunctions where a party shows irreparable harm absent the injunction and insufficiency of legal/monetary remedies, and demonstrates that relief is warranted given the balance of hardships and the public interest. *Monsanto Co. v. Geertson Seed Farms*, 561 U.S. 139, 156–57 (2010); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388, 391 (2006).

In his November 8, 2021 decision, the Arbitrator found that: EDAG would suffer irreparable harm absent injunctive relief; the unauthorized access and transfer of EDAG's property constitutes a form of trespass, for which there is no adequate monetary compensation; the balance of equities strongly favors EDAG; and injunctive relief poses no realistic likelihood of harm to BYTON NA. *See* 11/8/21 Order at 3-6. It follows from these findings, none of which BYTON NA challenges here, that injunctive relief to protect EDAG's property has not harmed, and will not harm, the public interest.

BYTON NA's own representations provide the only remaining piece necessary to support a permanent injunction. The potential for irreparable harm has ripened into reality, as BYTON NA

1 has continually attempted to subvert the injunction and obtain the intellectual property held on
2 JAMA servers—*i.e.*, the property BYTON NA is enjoined from accessing or using. BYTON NA
3 has never denied that it has made such attempts, despite numerous opportunities to do so. The only
4 way to prevent BYTON NA's schemes from succeeding is to confirm the November 8, 2021 Order,
5 making its provisions permanently enforceable.

6 IV. CONCLUSION

7 For the foregoing reasons, BYTON NA's motion should be denied and the Court should
8 confirm the Arbitrator's November 8, 2022 Order. A [Proposed] Order to that effect is submitted
9 herewith.

10 Dated: March 1, 2022

Respectfully submitted,

11 LEWIS & LLEWELLYN LLP

12
13 By: /s/ Evangeline A.Z. Burbidge

14 Evangeline A.Z. Burbidge
15 Marc R. Lewis
Kenneth M. Walczak

16 Attorneys for Petitioner EDAG
17 ENGINEERING GMBH
18
19
20
21
22
23
24
25
26
27
28